

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-02 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 PA-02 /140 W
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R 020549Z MAY 78
FM AMEMBASSY MANILA
TO SECSTATE WASHDC 5107

UNCLAS SECTION 01 OF 02 MANILA 07039

E.O. 11652: N/A
TAGS: ENRG, RP
SUBJECT: WESTINGHOUSE RESPONDS TO UCS ALLEGATIONS

REF: MANILA 2511

1. SUMMARY. WESTINGHOUSE RETAINED AN INDEPENDENT CONSULTANT GROUP - ENERGY RESEARCH GROUP (ERG) TO LOOK INTO THE ALLEGATIONS OF THE UNION OF CONCERNED SCIENTISTS (UCS) THAT THE PHILIPPINE NUCLEAR POWER PLANT SUFFERED FROM FAULTY DESIGN AND UNECONOMIC PLANNING. THE ERG FOUND THE UCS ALLEGATIONS UNFOUNDED. ERG FINDINGS WERE DELIVERED AT A SITE BRIEFING FOR THE PRESS AT MORONG, BATAAN APRIL 27. THE BRIEFING WAS POORLY ATTENDED BY REPRESENTATIVES OF THE INTERNATIONAL NEWS MEDIA WHICH ORIGINALLY RAISED QUESTIONS ABOUT THE PROJECT, AND LATER CARRIED EXCERPTS FROM THE UCS REPORT. END SUMMARY.

2. WESTINGHOUSE INTERNATIONAL PROJECTS COMPANY (WIPCO), THE FIRM CONSTRUCTING THE PHILIPPINE NUCLEAR POWER PROJECT AT MORONG, BATAAN, RETAINED THE ENERGY RESEARCH GROUP, INC. (ERG) OF WALTHAM, MASSACHUSETTS TO INVESTIGATE AND PREPARE A REPORT IN RESPONSE TO THE FEBRUARY 13 LETTER FROM DANIEL FORD OF UNION OF CONCERNED SCIENTISTS TO PRESIDENT MARCOS
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ALLEGING FAULTY DESIGN AND IMPROPER ECONOMIC PLANNING FOR THE NUCLEAR PROJECT BY WESTINGHOUSE.

3. THE ERG REPORT WAS PREPARED BY IAN A. FORBES, A FORMER COLLEAGUE OF DANIEL FORD IN UCS. IT ANSWERS FORD'S ALLEGATIONS ONE BY ONE IN A TWENTY-TWO PAGE DOCUMENT, SUPPORTED BY FIFTY

THREE PAGES OF APPENDICES. THE CONCLUSIONS OF FORBES STUDY ARE AS FOLLOWS:

- - THERE ARE NO "MAJOR UNRESOLVED TECHNICAL PROBLEMS THAT WOULD PREVENT THE PLANT FROM OPERATING SATISFACTORILY;"
- - THE SEISMIC RISK FOR THE PLANT HAS BEEN PROPERLY AND THOROUGHLY ASSESSED;
- - THE PLANT AND ITS SAFETY EQUIPMENT HAVE BEEN PROPERLY DESIGNED AND TESTED TO WITHSTAND A SEVERE EARTHQUAKE.
- - THE NUCLEAR SYSTEM SUPPLIED FOR THE PLANT WILL BE SUBJECT TO DESIGN, MANUFACTURING AND REGULATORY REQUIREMENTS AS STRINGENT AS FOR OTHER NUCLEAR PLANTS;
- - THE PLANT SHOULD BE CAPABLE OF PERFORMING RELIABLY AT A CAPACITY FACTOR IN EXCESS OF 70 PERCENT AFTER ITS FIRST YEAR OF OPERATION;
- - OVER ITS FIRST TEN YEARS OF OPERATION, WE ESTIMATE THAT THE PLANT SHOULD GENERATE ELECTRICITY AT AN AVERAGE ANNUAL SAVINGS OF ROUGHLY 465 MILLION UNCLASSIFIED

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- PESOS PER YEAR OVER AN EQUIVALENT OIL-FIRED PLANT.

"IN SHORT, WE FIND NO BASIS IN THE SUBSTANCE OF THE UCS LETTER OR IN THE FACTS SURROUNDING THE ISSUES TO SUGGEST THAT THE PHILIPPINE NUCLEAR POWER PLANT CANNOT BE EXPECTED TO OPERATE SAFELY, RELIABLY AND ECONOMICALLY."

4. SEE MANILA 2511 FOR SUMMARY OF FORD'S ALLEGATIONS REPORTED BY THE EMBASSY IN FEBRUARY.

5. THE ERG REPORT WAS PRESENTED BY FORBES HIMSELF AT A SITE BRIEFING FOR THE PRESS AT MRRONG, BAGAC ON APRIL 27, 1978. SENIOR WESTINGHOUSE OFFICIALS FROM MANILA AND PITTSBURGH WERE PRESENT TO ANSWER QUESTIONS, AS WELL AS COMMISSIONER LIBRADO IBE OF THE PHILIPPINE ATOMIC ENERGY COMMISSION (PAEC), MR. JOSE C. TORRES, CHIEF OF SPECIAL PROJECTS GROUP (NUCLEAR) AT THE NATIONAL POWER CORPORATION (NPC), AND DR. HIGINO IBARRA, NPC NUCLEAR FUELS SPECIALIST.

6. THE FINDINGS OF THE ERG REPORT HAVE RECEIVED FRONT PAGE COVERAGE WITH PHOTOS IN ALL MANILA DAILIES, AS WELL AS RADIO AND TV SPOTS. (THE UCS REPORT RECEIVED WIDE BUT

LOWER KEY LOCAL COVERAGE IN FEBRUARY). THE SITE BRIEFING WAS ORGANIZED BY ZORILLA & PARTNERS, LOCAL PR FIRM RETAINED BY WIPCO. REPRESENTATIVES FROM ALL MAJOR LOCAL NEWS MEDIA AND INTERNATIONAL PRINT MEDIA AND WIRE SERVICES WERE INVITED. WHILE MANY OF THE LOCAL STRINGERS FOR U.S. AND HONG KONG PAPERS AND WIRE SERVICES HAVE SHOWN INTEREST IN THE PROJECT IN THE PAST, ONLY FOUR FOREIGN CORRESPONDENTS ATTENDED; BERNIE WIDEMAN OF THE WASHINGTON POST, MICHAEL RICHARDSON REPRESENTING THREE AUSTRALIAN PAPERS, ABBY TAN OF SINGAPORE PETROLEUM NEWS, AND A REPORTER FROM A TOKYO

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NEWS SERVICE.

7. EMBASSY POUCHING COPY OF ERG REPORT TO EA/PHL. STULL

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